GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:812
ANSWERED ON:26.07.2001
RISE IN MSP FOR WHEAT AND RICE
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Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government have lately raised the minimum support price of wheat and rice etc.;

(b) if so, the details thereof;

(c) whether despite rise in minimum support price, the farmers were forced to sell their crops of wheat at much below the original minimum support price; and

(d) if so, the steps taken by the Union and the State Governments to avert such distress sales and to ensure smooth procurements?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHRIPAD Y. NAIK)

(a) & (b): The Government has fixed the Minimum Support Price (MSP) for paddy(common) @ Rs.510 per quintal; paddy (grade A) @ Rs.540 per quintal and wheat @ Rs.610 per quintal for the crop year 2000-01 This marks an increase of Rs.20 per quintal in case of paddy and Rs.30 per quintal in the case of wheat as compared to last year.

(c) & (d): The procurement operations for procurement of wheat and paddy are carried out by the Food Corporation of India (FCI) in association with State Governments and their agencies under price support scheme of the Government. The purchase centers are opened in sufficient numbers, after estimating the expected procurement of foodgrains by the FCI on the location mutually decided by the State Governments and the FCI, well in advance, before the commencement of each marketing season to avoid distress sale and inconvenience to the farmers. However, the farmers are free to sell their produce in the open market, if it is advantageous to them. Record quantities of various cereals have been procured during last year.

All complaints relating to distress sale are taken up immediately with FCI and State Governments.

In order to closely monitor the MSP scheme, special control rooms are set up in the FCI at their headquarters as well as regional offices to collect and compile daily procurement figures from the State Governments and other procuring agencies. These control rooms work on 24 hours basis during the peak procurement season.